

Indiana House of Representatives

News and Information

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FOR IMMEDIATE RELEASE:

May 19, 2005

BLACK CAUCUS: DANIELS MINORITY BUSINESS DEVELOPMENT GUIDELINES ARE BOGUS

INDIANAPOLIS – Leaders of the Indiana Black Legislative Caucus said that new guidelines announced this week by the Daniels Administration will do little to bring minorities and women more state business and probably will not withstand a legal challenge because they were imposed arbitrarily.

"Earlier this week, the governor's Commission for Minority Business Development announced temporary goals that they say will help boost the amount of business that the state does with firms that are owned by minorities and women," said State Rep. Greg Porter (D-Indianapolis), chairman of the black legislative caucus. "They will do nothing of the kind. They are only window dressing."

State Rep. William Crawford (D-Indianapolis) added, "Rather than complete a comprehensive study and set yearly goals as required by state law, the commission chose to enact temporary goals based on an internal disparity study that is not allowed through state law. They have created a perfect scenario for a court challenge, which will only set the cause of assisting minority-owned businesses back even more years."

Through the years, black caucus members have strived to see greater involvement by minority and women's businesses in state purchasing. In 2001, their views were strengthened with a study completed by Mason Tillman and Associates, Ltd., which said the state should set goals that would let minority and women's firms receive 17.4 percent of state construction contracts, 34.9 percent of professional services, and 9.4 percent of state supply contracts.

"However, rather than strive to meet these goals, in August 2004, former Indiana Department of Administration Commissioner Chuck Martindale set his own goals for minority and female participation, which were never approved by the commission on minority and business development," Porter said. "These goals would let minorities and females combined receive only 5 percent of construction contracts, 10 percent of professional services and 5 percent of supplies."

Crawford noted, "To prevent another arbitrary setting of goals, we asked for a disparity study as required under state law, but the Daniels Administration put that study on hold. The next thing we know, the commission is being asked to approve an internal study completed with very little input from commission members or affected businesses."

While the temporary goals outlined in the study approved this week by the commission – minorities/females should receive 12 percent of construction contracts, 17 percent of professional services and 6 percent of supplies – are greater than those imposed by Martindale, they are substantially below those recommended by Mason Tillman in 2001.

"Both the Martindale rates last year and the goals put before the commission this week were enacted with little or no substantive input from the public," Porter said. "These guidelines were basically shoved down the throats of the commission members. These tactics only serve to show the need for a legitimate study that addresses the needs of minorities and women, and the Black Caucus will do everything in its power to reach that goal."

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